



October 10, 2002

Escholon Telecom,
Inc. 730 2nd Ave S, Ste
1200 Minneapolis,
MN 55402

To Whom It May
Concern

This letter constitutes written notice of nonpayment, as required under the FCC 1 Access Service Tariff. As you know, payments are due in full thirty (30) days from the bill date, and late payment charges are assessed beginning on the thirty-first (31st) day (see FCC 1, Section 2.4 1). As of today, the total amount past due is \$[redacted], which includes \$[redacted] in unpaid back balances, and \$[redacted] in charges regarding your dispute on BAN 612 R72-0006 006 that were sustained in writing by a letter from Scott Martin dated August 13, 2002.

If Qwest does not receive this amount in our office by October 24, 2002, we will take action with respect to your accounts, including, but not limited to, suspension of service orders and the disconnection of services. You will also need to pay all late payment charges that have been billed per the FCC I Tariff.

If we do not get the payments in full and all future payments made by the due date on the bills, we will be asking for a deposit. The deposit is held against the account for a period of 12 months, accruing interest at the percentage rate of 0.000407% (as stated in FCC 1, section 2.4.1.B.3.b.2) compounded daily for the number of days from the payment date up to and including the date you actually make the payment to Qwest. If this security falls below 95% of the actual 2-month average amount billing, additional security will be requested.

If you have already paid in full, please disregard this notice. If you have questions regarding this notice or the status of your accounts, please call me at 515 241-1228

Respectfully,

A handwritten signature in black ink, appearing to read 'Debra'.

I -
Debra Judge
Service Delivery
Coordinator Qwest
Wholesale Services

CC: Sue Hutchins

THIS LETTER WAS SENT VIA CERTIFIED MAIL RETURN RECEIPT
September 30, 2002



Ellen Copley
Eschelon Telecom
7302 "d Avenue S., Suite 1200
Minneapolis, MN 55402

Dear Ms. Copley,

This letter is to advise you of the past due status of LTNE-P accounts you have with Qwest. This letter constitutes written notice of non-payment as required under your applicable contract, or FCC, or state utility commission rules and regulations. Failure to respond to this letter or submit payment may result in additional treatment activity (shown below) being initiated 30 days after the date of this letter.

Prompt payment of any past due balances will prevent further collection action, which could potentially include an interruption in the processing of LSRs and eventual service disconnection. Late payment charges may also be assessed according to your contract or applicable tariff (FCC 5 2.1.8 or applicable state tariff).

If service disconnection occurs, a security deposit may be requested according to your contract or applicable tariff (FCC 5 2.1.8 or applicable state tariff). Other charges may also apply to have the account re-established.

.Our records indicate a past due balance of [redacted] for. the July '02 bill periods....,Following is ,a breakdown by state.,. If there are disputes/discrepancies that have not been identified to Qwest, please submit them for prompt resolution.

Arizona	[redacted]
Colorado	[redacted]
Minnesota	[redacted]
Oregon	[redacted]
Utah	[redacted]
Washingto	[redacted]
n	
Total	[redacted]

Please contact Julie Tigges at 515 241-1240 or Vicki Keller at 515 286-7760 within 7 days of the date of this letter with any questions regarding your accounts or payment schedule. We welcome the opportunity to help solve any problems quickly.

Sincerely,

Julie Tigges
Service -Delivery
Coordinator Qwest
900 Keo, 4 South
Des Moines, IA 50309

Vicki Keller
Service Delivery Coordinator
Qwest
900 Keo, 4 South
Des Moines, IA 50309

-----Original Message-----

From: Clauson, Karen L.
Sent: Friday, October 11, 2002 7:54 AM
To: 'richard.corbetta@qwest.com'; 'jtopp@qwest.com'
Cc: Robert Martin; Julie Tigges; 'Terrell Cloke'; Copley, Ellen M.; 'Scott Martin'; Markert, William D.; Oxley, J. Jeffery; Ahlers, Dennis D.
Subject: Qwest collection practices

Rich and Jason:

I am sending this email to you, but please also forward it to any additional appropriate personnel at Qwest who can deal with this issue.

Enclosed is an email exchange between Eschelon and Qwest representatives regarding Qwest's collection practices. In Qwest's email, Qwest states that "Qwest does reserve the right to take further collection action." Eschelon reserves the right to challenge Qwest's actions and exercise all avenues and remedies available to Eschelon. Qwest has sent various collection letters, including the two mentioned in Qwest's email below, to Eschelon. They contain anti-competitive threats to disrupt Eschelon's service. The letters state, for example, that "further collection action" could include "an interruption in the processing of LSRs and eventual service disruption." The letters are generic and contain a lump sum with no detail as to the basis for the lump sum payments so cannot be verified. (When Eschelon attempts to discuss the billing issues with Qwest, its representatives state that they do not have access to BillMate, the format in which Eschelon receives its bills. This makes reconciliation even more difficult.) In its letters, Qwest cites no authority in the contracts or the law for Qwest's collection practices, intervals stated in the letter, and anti-competitive threats. If Qwest plans to continue this practice, Qwest needs to follow the law and, if any such collection practice is allowed, provide a the breakdown of the amount due showing the basis for the claim (and not a lump sum that cannot be verified), cite the specific authority for each action Qwest states it may take, and follow all notice and other procedures required by the applicable contract and laws for each state. The letters sent to date do not constitute notice at all because they were not sent to the proper addresses under the notice provisions of the contracts (which, in at least MN, require a copy to the commission) or any of these other procedures.

Please provide your specific citations to the contractual and legal authority in each state (AZ, CO, MN, OR, UT, WA) for Qwest's claim that it can engage in these collection practices. Eschelon's contract provides for certain practices, such as in some cases late payment charges (see MN, Att. 7, para. 15). With respect to late payment charges, however, Qwest has represented to the FCC that it is not assessing those charges, and Qwest cannot single out Eschelon for different treatment. Eschelon has not located any provision in any interconnection agreement allowing Qwest to disrupt Eschelon's service. Qwest's threats to do so are extremely serious and are taken as such at Eschelon. We need assurance that Qwest will not disrupt our service.

Please provide a prompt response to this important issue. If you will not be handling this matter, please let me know who at Qwest will be doing so.

Thank you,

Karen L. Clauson
Sr. Director of Interconnection
Eschelon Telecom, Inc.
730 2nd Ave. South, Suite 1200
Minneapolis, MN 55402
Phone: 612-436-6026
Fax: 612-436-6126